

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:394
ANSWERED ON:30.04.2007
SUBSIDY FOR EXPORT OF SUGAR
Chinta Mohan Dr. ;Suman Shri Ramji Lal

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the surplus stocks of sugar recorded in the country during the current year;
- (b) the quantum of sugar likely to be exported therefrom;
- (c) whether the Government proposes to provide subsidy for export of sugar; and
- (d) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c) & (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 394 DUE FOR ANSWER ON 30.04.2007 IN THE LOK SABHA.

(a)&(b): The production of sugar in the current sugar season 2006-07 is provisionally estimated to be over 250 lac tons. Taking into account the carry over stocks of about 44 lac tons from the previous sugar season 2005-06, the total availability of sugar in this sugar season would be about 294 lac tons, as against the estimated consumption of about 190 lac tons. After meeting the three months' buffer requirement of 48 lac tons, the surplus stock of sugar is estimated to be over 56 lac tons in this sugar season. Out of this surplus stock, about 15 lac tons of sugar is likely to be exported during this sugar season. However this will depend on global market conditions.

(c)&(d): The Government have decided to provide export assistance to defray the cost of internal transport and freight charges, marketing and handling charges at a flat rate of Rs. 1350 per ton on export of domestically manufactured sugar from sugar factories located in the coastal States and at the flat rate of Rs.1450 per ton from sugar factories located in other than the coastal States. Exports made under Open General License (OGL) only (and not under 'advance license') on or after 19th April, 2007 and upto 18th April, 2008 or till further orders, whichever is earlier, would be eligible for this assistance. Further, the amount so received is also to be used for payment of cane price including cane price arrears of previous sugar season(s) to sugarcane farmers. The Government have decided to give export assistance to sugar factories as realization from export of sugar was less than the ex-factory levy sugar prices and at that level of export realization, sugar factories were not in a position to pay the Statutory Minimum Price (SMP) of sugar fixed by the Central Government.